

Estimation of the development prospects of construction sector in the Russian economy

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Abstract

© Medwell Journals, 2018. The study presents an analysis of the scope of construction industry in the Russian economy and reveals the decrease of this scope which is due to the actual conditions of the global financial uncertainty and significant political and economic risks. The reduction of the number of new orders for construction products from other economic sectors is a priority problem in the construction sector in Russia, the problem which hinders the investment growth. It has been revealed that the slow industrial development and the decline of economic growth in trade and services sphere which is due to the latest economic and political events are the reason for reduction of production costs in construction. This hinders the expansion of construction at the expense of new units and what is more, blocks the already begun units. The Russian construction companies are not eager to invest into large-scale projects, preferring the more foreseeable perspective. Other limitations of the prospective growth of the construction industry, according to the researchers include the monopolistic position of some construction companies, the excessive administrative barriers as well as the defects in technical regulation and lack of balance between the Russian construction norms and rules and the international standards.

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Keywords

Construction, Construction industry, Economic growth, Employment, Industrial production, Perspective

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